Platts China Oil Analytics: China Apparent Oil Demand Rose 4% Year over Year in November

SINGAPORE, Jan. 12, 2017 /PRNewswire/ -- China's apparent* oil demand in November 2016 hit the second highest level on record to 11.44 million barrels per day (b/d), according to an analysis of Chinese government data by S&P Global Platts, the leading independent provider of information and benchmark prices for the commodities and energy markets. This was 4.1% higher than the same month in 2015.

Refinery throughput in November 2016 averaged 11.18 million b/d, data from China's National Bureau of Statistics (NBS) showed December 12. This was up 3.9% year over year and 0.8% higher than in October, likely due to an uptick in runs toward the end of the year, as well as fewer refineries shut for maintenance.

China's imports of key oil products rose to a six-month high of 1.1 million b/d, driven by higher light distillate inflows, data from the General Administration of Customs showed. Exports were stable month on month at 851,000 b/d, bringing net imports during November to around 250,000 b/d. This was in contrast to October, when China turned a marginal net exporter of oil products.

Overall apparent oil demand over January to November averaged 11.07 million b/d, a 0.9% contraction year on year, although the pace of decline slowed from January to October, which recorded a 1.4% contraction.

Calculations of apparent oil demand using official data sources however, may not be fully accurate given that some refinery output is not captured by the NBS. *Platts China Oil Analytics, an S&P Global Platts on-line platform for supply/demand and trade data,* estimates that China's refinery runs in November were 11.54 million b/d, which means apparent demand for the month likely averaged 11.83 million b/d, representing a 7.8% increase year on year.

Adjusting for higher production in gasoline and gasoil than was reported by the government, Platts China Oil Analytics estimates that gasoline apparent demand in November averaged 2.9 million b/d, a 1% increase year on year, while gasoil apparent demand rose 6.2% over the same period to 3.72 million b/d. Fuel oil apparent demand rebounded month on month to 687,000 b/d, rising 7.2% from October on improved bunker demand although buying from independent refiners remained weak.

Moving into early 2017, refiners are expected to ramp up throughput operations to prepare for the Lunar New Year holidays.

"Gasoline and jet fuel demand for the transport sector are likely to rise significantly prior to the start of the holidays as people across the country travel home to celebrate the new year, which falls on January 28," said *Song Yen Ling, senior analyst with Platts China Oil Analytics. "*Following that, gasoil demand is expected to pick up with the restart of industrial activity as well as the spring farming season in south China."

Despite the pick-up in demand, refiners may maintain the level of oil product exports seen at the end of 2016 because of an expected uptick in refinery runs. Gasoline exports likely averaged 265,000 b/d in the fourth quarter of 2016 while gasoil outflows likely averaged 360,000 b/d.

Platts China Oil Analytics expects gasoline outflows to average around 275,000 b/d in the first quarter of 2017 as domestic inventories are at relatively high levels currently, although gasoil exports may ease to 300,000 b/d as refiners have reported holding lower-than-normal stocks and may reserve supplies for the domestic market.

MONTHLY CHINA OIL DATA IN '000 B/D

	Nov '16	Nov '15	% Chg	Oct '16	Sep '16	Aug '16	Jul '16
Net crude imports	7,858	6,601	19.0	6,739	7,973	7,715	7,287
Crude production	3,931	4,316	-8.9	3,794	3,904	3,889	3,964

Apparent demand	11,436	10,981	4.1	11,121	10,852	10,754	10,559
---	---	---	---	---	---	---	---

Sources: China's General Administration of Customs, National Bureau of Statistics, S&P Global Platts

Month-to-month demand in China is generally viewed to be subjected to short-term anomalies which are of interest and important to note, but often fail to reveal the country's underlying demand trends. Year-to-year comparisons are viewed by the marketplace to be more indicative of the country's energy profile.

For more information on crude oil, visit the S&P Global Platts website at www.platts.com. For Chinese-language information on oil and the energy and metals markets, visit http://www.platts.cn/.

*S&P Global Platts calculates China's apparent or implied oil demand on the basis of crude throughput volumes at the domestic refineries and net oil product imports, as reported by the NBS and Chinese customs. S&P Global Platts also takes into account undeclared revisions in NBS historical data.

The government releases data on imports, exports, domestic crude production and refinery throughput data, but does not give official data on the country's actual oil consumption figure and oil stockpiles. Official statistics on oil storage are released intermittently.

In view of some significant shifts in Chinese consumption and trade patterns in recent years, S&P Global Platts has revised its methodology starting July 2015 to include production and net imports of liquefied petroleum gas (LPG), as well as imports of petroleum bitumen blend, a popular imported feedstock for China's teapot refineries.

S&P Global Platts has also refined its calculation of exports of jet fuel and fuel oil to exclude international marine bunker sales and aviation fuel delivered to international flights. This also impacts net imports, and hence apparent demand calculations.

All historical figures used for comparison have also been calculated using the new methodology to ensure consistency.

S&P Global Platts aims to release its monthly calculation of China's apparent demand between the 18th and 26th of every month via press release and via its website. Any use of this information must be appropriately attributed to S&P Global Platts. Note: S&P Global Platts uses a conversion rate of 7.33 barrels of crude per metric ton, the widely-accepted benchmark for markets East of Suez.

Contact
Americas: Kathleen Tanzy, + 1 917 331 4607, kathleen.tanzy@spglobal.com

About S&P Global Platts
At S&P Global Platts, we provide the insights; you make better informed trading and business decisions with confidence. We're the leading independent provider of information and benchmark prices for the commodities and energy markets. Customers in over 150 countries look to our expertise in news, pricing and analytics to deliver greater transparency and efficiency to markets. S&P Global Platts coverage includes oil and gas, power, petrochemicals, metals, agriculture and shipping.

S&P Global Platts is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit www.platts.com.

SOURCE S&P Global Platts

Photo:http://mma.prnewswire.com/media/365785/platts_Logo.jpg
http://photoarchive.ap.org/

SOURCE: S&P Global Platts

Platts China Oil Analytics: China Apparent Oil Demand Rose 4% Year over Year in November

PR Newswire

SINGAPORE, Jan. 12, 2017

SINGAPORE, Jan. 12, 2017 /PRNewswire/ -- China's apparent* oil demand in November 2016 hit the second highest level on record to 11.44 million barrels per day (b/d), according to an analysis of Chinese government data by S&P Global Platts, the leading independent provider of information and benchmark prices for the commodities and energy markets. This was 4.1% higher than the same month in 2015.

Refinery throughput in November 2016 averaged 11.18 million b/d, data from China's National Bureau of Statistics (NBS) showed December 12. This was up 3.9% year over year and 0.8% higher than in October, likely due to an uptick in runs toward the end of the year, as well as fewer refineries shut for maintenance.

China's imports of key oil products rose to a six-month high of 1.1 million b/d, driven by higher light distillate inflows, data from the General Administration of Customs showed. Exports were stable month on month at 851,000 b/d, bringing net imports during November to around 250,000 b/d. This was in contrast to October, when China turned a marginal net exporter of oil products.

Overall apparent oil demand over January to November averaged 11.07 million b/d, a 0.9% contraction year on year, although the pace of decline slowed from January to October, which recorded a 1.4% contraction.

Calculations of apparent oil demand using official data sources however, may not be fully accurate given that some refinery output is not captured by the NBS. **Platts China Oil Analytics, an S&P Global Platts on-line platform for supply/demand and trade data,** estimates that China's refinery runs in November were 11.54 million b/d, which means apparent demand for the month likely averaged 11.83 million b/d, representing a 7.8% increase year on year.

Adjusting for higher production in gasoline and gasoil than was reported by the government, Platts China Oil Analytics estimates that gasoline apparent demand in November averaged 2.9 million b/d, a 1% increase year on year, while gasoil apparent demand rose 6.2% over the same period to 3.72 million b/d. Fuel oil apparent demand rebounded month on month to 687,000 b/d, rising 7.2% from October on improved bunker demand although buying from independent refiners remained weak.

Moving into early 2017, refiners are expected to ramp up throughput operations to prepare for the Lunar New Year holidays.

"Gasoline and jet fuel demand for the transport sector are likely to rise significantly prior to the start of the holidays as people across the country travel home to celebrate the new year, which falls on January 28," said **Song Yen Ling, senior analyst with Platts China Oil Analytics. "**Following that, gasoil demand is expected to pick up with the restart of industrial activity as well as the spring farming season in south China."

Despite the pick-up in demand, refiners may maintain the level of oil product exports seen at the end of 2016 because of an expected uptick in refinery runs. Gasoline exports likely averaged 265,000 b/d in the fourth quarter of 2016 while gasoil outflows likely averaged 360,000 b/d.

Platts China Oil Analytics expects gasoline outflows to average around 275,000 b/d in the first quarter of 2017 as domestic inventories are at relatively high levels currently, although gasoil exports may ease to 300,000 b/d as refiners have reported holding lower-than-normal stocks and may reserve supplies for the domestic market.

MONTHLY CHINA OIL DATA IN '000 B/D

	Nov '16	Nov '15	% Chg	Oct '16	Sep '16	Aug '16	Jul '16
Net crude imports	7,858	6,601	19.0	6,739	7,973	7,715	7,287
Crude production	3,931	4,316	-8.9	3,794	3,904	3,889	3,964
Apparent demand	11,436	10,981	4.1	11,121	10,852	10,754	10,559

Sources: China's General Administration of Customs, National Bureau of Statistics, S&P Global Platts

Month-to-month demand in China is generally viewed to be subjected to short-term anomalies which are of interest and important to note, but often fail to reveal the country's underlying demand trends. Year-to-year comparisons are viewed by the marketplace to be more indicative of the country's energy profile.

For more information on crude oil, visit the S&P Global Platts website at www.platts.com. For Chinese-language information on oil and the energy and metals markets, visit http://www.platts.cn/.

*S&P Global Platts calculates China's apparent or implied oil demand on the basis of crude throughput volumes at the domestic refineries and net oil product imports, as reported by the NBS and Chinese customs. S&P Global Platts also takes into account undeclared revisions in NBS historical data.

The government releases data on imports, exports, domestic crude production and refinery throughput data, but does not give official data on the country's actual oil consumption figure and oil stockpiles. Official statistics on oil storage are released

intermittently.

In view of some significant shifts in Chinese consumption and trade patterns in recent years, S&P Global Platts has revised its methodology starting July 2015 to include production and net imports of liquefied petroleum gas (LPG), as well as imports of petroleum bitumen blend, a popular imported feedstock for China's teapot refineries.

S&P Global Platts has also refined its calculation of exports of jet fuel and fuel oil to exclude international marine bunker sales and aviation fuel delivered to international flights. This also impacts net imports, and hence apparent demand calculations.

All historical figures used for comparison have also been calculated using the new methodology to ensure consistency.

S&P Global Platts aims to release its monthly calculation ofChina's apparent demand between the 18th and 26th of every month via press release and via its website. Any use of this information must be appropriately attributed to S&P Global Platts. Note: S&P Global Platts uses a conversion rate of 7.33 barrels of crude per metric ton, the widely-accepted benchmark for markets East of Suez.

Contact
Americas: Kathleen Tanzy, + 1 917 331 4607, kathleen.tanzy@spglobal.com

About S&P Global Platts
At S&P Global Platts, we provide the insights; you make better informed trading and business decisions with confidence. We're the leading independent provider of information and benchmark prices for the commodities and energy markets. Customers in over 150 countries look to our expertise in news, pricing and analytics to deliver greater transparency and efficiency to markets. S&P Global Platts coverage includes oil and gas, power, petrochemicals, metals, agriculture and shipping.

S&P Global Platts is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit www.platts.com.

SOURCE S&P Global Platts

CONTACT: Americas: Kathleen Tanzy, + 1 917 331 4607, kathleen.tanzy@spglobal.com; EMEA: Arnaud Humblot +44 207 176 6685, arnaud.humblot@spglobal.com and Alex Brog +44 207 176 7645, alex.brog@spglobal.com; Singapore: Platts (platts@ryancommunication.com)

Web Site: http://www.platts.com

---

https://press.spglobal.com/2017-01-11-Platts-China-Oil-Analytics-China-Apparent-Oil-Demand-Rose-4-Year-over-Year-in-November